Mr. Steven L. Pearl, Senior Environmental Scientist
Cinergy Corporation
1000 East Main Street
Plainfield, IN 46168-1782

Re: 065-11632
Administrative Amendment to
Construction Permit 065-10469-00032

Dear Mr. Pearl:

Cinergy Corporation was issued a permit on July 15, 1999 for a power plant operation. A letter requesting that revisions and typographical corrections be made to this permit was received on December 9, 1999. Therefore, the permit is hereby amended as follows:

1. Cinergy Corporation has stated that they are changing their company name, and that the source address has been assigned a new address by the Henry County Planning Commission. The source's actual physical location remains the same even though it has been assigned this new address. Therefore, the company name and address on the title page is changed to:

~~Cinergy Corporation~~ **CinCap VII, LLC**
~~S.R. 38 (South side)~~ **6045 West State Road 38**
~~Cadiz~~ **New Castle**, Indiana **47632**

Also, a second box has been added to identify this permit amendment. It appears as follows:

First Administrative Amendment: 065-11632	**Pages Affected: 1, 4, 14, 16, 19**
Issued by: **Paul Dubenetzky, Branch Chief** **Office of Air Management**	**Issuance Date:**

2. Because of the address change above and the Responsible Official change, the first two lines of Condition A.1, General Information, have been changed to read as follows:

Responsible Official: ~~James J. Cook~~ **Drew A. Rankin**
Source Address: ~~S.R. 38 (South side), Cadiz~~ **6045 West State Road 38, New Castle**, IN **47632**

3. In Condition D.1.2, Fuel Oil Limitation, the limit in part (b), is changed to the following to correct a typographical error:

(b) During the first 12 months of operation, the fuel usage shall be limited such that the total usage divided by the accumulated months of operation shall be less than ~~3,019.31~~ **3,019,316** gallons per month.

4. Condition D.1.10, Subpart GG Compliance Requirements, part (b)(2) has a typographical error in the second sentence. It has been corrected as follows:

   Gas samples shall be taken once a calendar quarter at the close**s**t proximity to the site of the turbines.

5. The Malfunction Report form has one typographical error in the second line after the second box on this form. This has been corrected as shown below:

   ESTIMATED AMOUNT OF POLLUTANT **E**MITTED DURING MALFUNCTION:

   Also on this form, the company name has been changed, and the new address has been added.

Please attach a copy of this document and the following revised permit pages to the front of the original permit. All other permit conditions are unchanged and shall remain in effect.

Sincerely,

Paul Dubenetzky, Chief
Permits Branch Chief
Office of Air Management

MMG
Attachments
cc: File - Henry County
Henry County Health Department
Air Compliance Section - Warren Greilung
Compliance Data Section - Karen Nowak
Permit Tracking - Janet Mobley
Data Support Section - Michelle Boner

CONSTRUCTION PERMIT
OFFICE OF AIR MANAGEMENT

CinCap VII, LLC
6045 West State Road 38
New Castle, Indiana

This permit is issued to the above mentioned company (herein known as the Permittee) under the provisions of 326 IAC 2-1 and 40 CFR 52.780, with conditions listed on the attached pages.

Construction Permit No.: CP-065-10469-00032	
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date: July 15, 1999

First Administrative Amendment: 065-11632	Pages Affected: 4, 14, 16, 19
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date:

SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM), and presented in the permit application.

A.1 General Information
The Permittee owns and operates a power plant.

Responsible Official:	Drew A. Rankin
Source Address:	6045 West State Road 38, New Castle, Indiana 47632
Mailing Address:	c/o Steven L. Pearl, 1000 East Main Street, Plainfield, IN 46168-1782
SIC Code:	4911
County Location:	Henry
County Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Minor Source, under PSD Rules

A.2 Emission Units and Pollution Control Equipment Summary

This construction permit consists of the following emission units and pollution control devices:

(a) Three (3) combustion turbines, designated as turbine units 1-3, utilizing natural gas or No. 2 fuel oil, with an anticipated maximum heat input capacity of 407.8 mmBtu/hr per turbine unit, with water-injection for NOx emissions control and exhaust to three (3) stacks designated as 1-3.

(b) Two (2) fuel oil storage tanks, designated as A and B, with a maximum combined annual throughput of 22 million gallons per year and exhausts to the atmosphere. Tank A has a maximum capacity of 250,000 gallons and Tank B has a maximum capacity of 500,000 gallons.

(c) One (1) waste oil tank, designated as Tank 3, with a maximum capacity of, 5,312 gallons and exhausts to the atmosphere.

A.3 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source will be required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

(a) It is a major source, as defined in 326 IAC 2-7-1(22).
(b) This new source shall apply for a Part 70 (Title V) operating permit within twelve (12) months after this source becomes subject to Title V.

A.4 Acid Rain Permit Applicability [326 IAC 2-7-2]

This stationary source shall be required to have a Phase II, Acid Rain permit by 40 CFR Part 72.30 (Applicability) because:

(a) The combustion turbines are new units under 40 CR Part 72.6.
(b) The source cannot operate the combustion units until their Phase II, Acid Rain permit has been issued.

SECTION D.1 FACILITY CONDITIONS

(a) Three (3) combustion turbines, designated as turbine units 1-3, utilizing natural gas or No. 2 fuel oil, with an anticipated maximum heat input capacity of 407.8 mmBtu/hr per turbine unit, with water-injection for NOx emissions control and exhaust to three (3) stacks designated as 1-3.

(b) Two (2) fuel oil storage tanks, designated as A and B, with a maximum combined annual throughput of 22 million gallons per year and exhausts to the atmosphere. Tank A has a maximum capacity of 250,000 gallons and Tank B has a maximum capacity of 500,000 gallons.

(c) One (1) waste oil tank, designated as Tank 3, with a maximum capacity of 5,312 gallons and exhausts to the atmosphere.

The information describing the source contained in this Section D.1 is descriptive information, and does not constitute federally enforceable conditions.

Emissions Limitation and Standards

D.1.1 NOx and CO Limitations [326 IAC 2-2]

(a) The potential to emit of NOx and CO from the three (3) combustion turbines shall be less than 250 tons per twelve (12) consecutive months per specified pollutant, rolled on a monthly basis. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2 and 40 CFR 52.21, will not apply.

D.1.2 Fuel Oil Limitation [326 IAC 2-2]

(a) The total input of fuel oil to the three (3) combustion turbines shall be less than 36,231,798 gallons per twelve (12) consecutive months, rolled on a monthly basis. This fuel usage limitation is equivalent to SO2 emissions of less than 250 tons per twelve (12) consecutive months, rolled on a monthly basis. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2 and 40 CFR 52.21, will not apply.

(b) During the first 12 months of operation, the fuel usage shall be limited such that the total usage divided by the accumulated months of operation shall be less than 3,019,316 gallons per month.

(c) The maximum sulfur content of the fuel oil shall not exceed 0.1%.

D.1.3 40 CFR Part 60, Subpart GG Applicability (Stationary Gas Turbines)

(a) The three (3) combustion turbines are subject to 40 CFR Part 60, Subpart GG because the heat input at peak load is equal to or greater than 10.7 gigajoules per hour, based on the lower heating value of the fuel fired.

(b) Pursuant to 326 IAC 12-1 and 40 CFR 60, Subpart GG (Stationary Gas Turbines), the Permittee shall:

(1) limit nitrogen oxides emissions, as required by 40 CFR 60.332, to:

$$STD = \frac{0.0075\ (14.4)}{Y} + F\ ,$$

where STD = allowable NO_x emissions (percent by volume at 15 percent oxygen on a dry basis).

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peck load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

averaging time or alternate methodology is specified under 326 IAC 7-2. Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.

(A) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and

(B) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling; or

(2) Compliance may also be determined by conducting a stack test for sulfur dioxide emissions from the three (3) combustion turbines, using 40 CFR 60, Appendix A, Method 6 in accordance with the procedures in 326 IAC 3-6,

(3) A determination of noncompliance pursuant to either of the methods specified in subsections (1) or (2) above shall not be refuted by evidence of compliance pursuant to the other method.

(4) Upon written notification of a facility owner or operator to the department, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance.

Compliance Monitoring Requirements

D.1.10 40 CFR Part 60, Subpart GG Compliance Requirements (Stationary Gas Turbines)

Pursuant to 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall:

(a) install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine, as required by 40 CFR 60.334(a);

(b) monitor the sulfur content and nitrogen content of the fuel being fired in the turbine, as required by 40 CFR 60.334(b). The custom schedule for the three (3) turbines shall be the following:

(1) monitor the fuel oil combusted in accordance with condition D.1.9; and

(2) monitor the natural gas combusted through the analysis of pipeline gas from the natural gas supplier. Gas samples shall be taken once a calendar quarter at the closest proximity to the site of the turbines. In the event of less than 30 days of the turbines operation in a quarter, the quarterly sampling is waived. For these purposes, one day of operation shall be defined as any day that gas is burned for more than one (1) hour. Quarterly sampling and analysis of the gas shall be performed according to ASTM methods in 60.335(a) and 60.335(d);

(c) and report periods of excess emissions, as required by 40 CFR 334(c).

D.1.11 Continuous Emission Monitoring System (CEMS) [326 IAC 3-5]

(a) Pursuant to 326 IAC 3-5-1(d)(1), the owner or operator of a new source with an emission limitation or permit requirement established under 326 IAC 2-1-3(i)(8) shall be required to install, calibrate, certify, operate and maintain a continuous monitoring system for measuring NO_x and CO emissions rates in pounds per hour from stacks 1-3 in accordance with 326 IAC 3-5-2 and 326 IAC 3-5-3. The continuous monitoring system will determine compliance with the NOx and CO emission limits established in Condition D.1.1.

MALFUNCTION REPORT

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR MANAGEMENT
FAX NUMBER - 317 233-5967

This form should only be used to report malfunctions applicable to Rule 326 IAC 1-6 and to qualify for the exemption under 326 IAC 1-6-4.

THIS FACILITY MEETS THE APPLICABILITY REQUIREMENTS BECAUSE: IT HAS POTENTIAL TO EMIT 25 LBS/HR PARTICULATES ?_____, 100 LBS/HR VOC ?_____, 100 LBS/HR SULFUR DIOXIDE ?_____ OR 2000 LBS/HR OF ANY OTHER POLLUTANT ?_____ EMISSIONS FROM MALFUNCTIONING CONTROL EQUIPMENT OR PROCESS EQUIPMENT CAUSED EMISSIONS IN EXCESS OF APPLICABLE LIMITATION _____.

THIS MALFUNCTION RESULTED IN A VIOLATION OF: 326 IAC _____ OR, PERMIT CONDITION # _____ AND/OR PERMIT LIMIT OF _____

THIS INCIDENT MEETS THE DEFINITION OF 'MALFUNCTION' AS LISTED ON REVERSE SIDE ? Y N

THIS MALFUNCTION IS OR WILL BE LONGER THAN THE ONE (1) HOUR REPORTING REQUIREMENT ? Y N

COMPANY:_CinCap VII, LLC PHONE NO. (317)838-1758

LOCATION:_6045 West State Road 38, New Castle- Henry County
PERMIT NO. __065-10469_AFS PLANT ID: __065-00032 AFS POINT ID: _____ INSP: _____
CONTROL/PROCESS DEVICE WHICH MALFUNCTIONED AND REASON:
_____

DATE/TIME MALFUNCTION STARTED: _____/_____/ 19____ _____ AM / PM

ESTIMATED HOURS OF OPERATION WITH MALFUNCTION CONDITION:_____

DATE/TIME CONTROL EQUIPMENT BACK-IN SERVICE_____/_____/ 19____ _____ AM/PM

TYPE OF POLLUTANTS EMITTED: TSP, PM-10, SO2, VOC, OTHER:_____
ESTIMATED AMOUNT OF POLLUTANT EMITTED DURING MALFUNCTION: _____
MEASURES TAKEN TO MINIMIZE EMISSIONS:_____
REASONS WHY FACILITY CANNOT BE SHUTDOWN DURING REPAIRS:

CONTINUED OPERATION REQUIRED TO PROVIDE ESSENTIAL* SERVICES: _____
CONTINUED OPERATION NECESSARY TO PREVENT INJURY TO PERSONS:_____
CONTINUED OPERATION NECESSARY TO PREVENT SEVERE DAMAGE TO EQUIPMENT:_____
INTERIM CONTROL MEASURES: (IF APPLICABLE)
_____

MALFUNCTION REPORTED BY: _____TITLE:_____
(SIGNATURE IF FAXED)

MALFUNCTION RECORDED BY: _____DATE:_____TIME:_____

FAX NUMBER - 317 233-5967